

TITLE REPORT FOR
THE INTERNAL REVENUE SERVICE

The undersigned has examined the record title on the Carteret County records (and municipal tax and assessment records if within a municipality) for the period shown below relative to title to the real property described below, and gives the following opinion of status:

Owner(s): Joe James Mitchell

Interest or estate: fee simple

Property Description: (or attach copy of legal description)

TRACT I

BEGINNING at a point located S 12-00 W 27.94 feet from the intersection of the southern right of way line of Westfield Road (formerly Bell Street) and the western right of way line of old U. S. 70 (now N.C. State Road 1247); running from thence said **BEGINNING** point N 79-29-00 W 101.20 feet to a point; thence S 11-43-0 W 14.22 feet to a point; thence N 77-48 W 19.9 feet to a point; thence S 11-14 W 18.62 feet to a point; thence N 84-00 W 28.57 feet to a point in the centerline of a ditch; thence S 12-00 W along the centerline of said ditch 50 feet to a point; thence S 84-00 E 150 feet to a point (an existing iron pipe) in the western right of way line of said N.C. State Road 1247 to the point or place of **BEGINNING**. This description is drawn in accordance with that plat entitled, "Survey for Jeffrey A. Roth and Roberta C. Aldridge" by W. D. Daniels, Jr., R.L.S., dated February 8, 1991, a copy of which is attached hereto and included herein for reference.

TRACT II

BEGINNING at the point of intersection of the south right of way line of Westfield Road (formerly Bell Street) and the west right of way line of Chatham (formerly Old U.S. 70); thence with the right of way line of Chatham Street S 12 W 27.94 feet to a point; thence N 79-29 W 101.2 feet to an existing iron spike; thence S 11-43 W 14.22 feet to an existing iron pipe; thence N 77-48-00 W 19.90 feet to an iron pipe; thence S 11-14 W 18.62 feet to an existing iron spike in the line dividing Lot #7 and Lot #8, Newport Place in accordance with the map of same recorded in Deed Book 11, Page 400, Carteret County Registry; thence with said dividing line N 84 W 28.57 feet to an iron pipe set in a ditch and with the centerline of said ditch N 12 E 53.44 feet to a point in the southern right of way line of Westfield Road; thence with the southern right of way line of Westfield Road S 82-55-30 E 150 feet to the point and place of **BEGINNING**. Being a portion of Lot #7, Newport Place in accordance with the map thereof recorded in Map Book 11, Page 400, Carteret County Registry, and in accordance with a plat and survey thereof by W. D. Daniels, Jr., R.L.S. dated March 18, 1982, and as updated by a survey entitled "Jeffrey A. Roth and Roberta C. Aldridge" by W. D. Daniels, Jr., R.L.S. dated February 8, 1991.

Tax value = \$47,973.00

Subject to the uninitialed STANDARD EXCEPTIONS on reverse side hereof.

Also subject to the following SPECIAL INFORMATION AND EXCEPTIONS:

Taxes: PIN 6348.14.23.5053000

1. Ad valorem taxes are paid through and including those for the year:2008.
2. Taxes now due and payable:2009.

Restrictive Covenants? no

Survey and Inspection Report Attached? no.

Recorded Plat? yes

1. Book 11, Page 400; Book 653, Page 367 and in Book 11, Page 3
2. Easements/Other Matters:

Plat recorded in Book 11, Page 3 reflects an encroachment of building located on Lot 9 and a ditch running across the rear property line.

Access to Public Right of Way? Yes

Property Occupied By: Unknown

Other Easements, Liens, Deeds of Trust, Objections or Defects:

DEED OF TRUST: To: Golf Commercial Inv., Inc. Amount: \$11,000.00

Recorded: November 28, 2005 Book: 1145 Page: 190

LIENS/JUDGMENTS:

1. IRS Tax Lien filed for record File #07M82, plus penalties, interest, fees & costs, if any.
2. IRS Tax Lien filed for record File #07M81, plus penalties, interest, fees & costs, if any.
3. IRS Tax Lien filed for record File #07M239, plus penalties, interest, fees & costs, if any.
4. IRS Tax Lien filed for record File #06M409, plus penalties, interest, fees & costs, if any.
5. IRS Tax Lien filed for record File #06M378, plus penalties, interest, fees & costs, if any.
6. IRS Tax Lien filed for record File #06M197, plus penalties, interest, fees & costs, if any.
7. IRS Tax Lien filed for record File #06M312, plus penalties, interest, fees & costs, if any.
8. IRS Tax Lien filed for record File #06M276, plus penalties, interest, fees & costs, if any.
9. IRS Tax Lien filed for record File #06M270, plus penalties, interest, fees & costs, if any.
10. IRS Tax Lien filed for record File #06M355, plus penalties, interest, fees & costs, if any.
11. IRS Tax Lien filed for record File #06M401, plus penalties, interest, fees & costs, if any.
12. IRS Tax Lien filed for record File #06M408, plus penalties, interest, fees & costs, if any.
13. Judgment in favor of D & L Parts Co, Inc. File #08 CVD 013204 in the sum of \$6,029.01, plus penalties, interest, fees & costs, if any.
14. Judgment in favor of Lennox Industries, Inc. filed for record File #07 CVS 17044 in the sum of \$31,209.44, plus penalties, interest, fees & costs, if any.
15. Judgment in favor of Calvin G. Wellons et al, filed for record File #09 CVS 673 in the sum of \$60,000.00, plus penalties, interest, fees & costs, if any.

16. Judgment in favor of Cannon Marketing, Inc. filed for record File #05 CVD 1272 in the sum of \$5,021.24, plus penalties, interest, fees & costs, if any.
17. Transcript of Judgment filed for record, File #07CVS17044, plus penalties, interest, fees & costs, if any.
18. Transcript of Judgment filed for record, File #081CVD3204, plus penalties, interest, fees & costs, if any.

This report of title is for the parties to whom it is furnished, is not transferable, and may not be used by any other person or entity without the prior written consent of the undersigned and is limited to the search period below.

The Search Period was from June 4, 1943 to January 19, 2010 at 8:00 A.M.

Brock & Scott, PLLC
5431 Oleander Drive
Wilmington, NC 28403
(910)392-4988

STANDARD EXCEPTIONS

The attorney should initial any exceptions that are to be eliminated on the line to the left of the exception.

- ___ 1. Interest or claims not disclosed by public records, including but not limited to:
- (a) Unrecorded Mechanics' or Materialmen's liens. (Liens may be filed by persons or entities furnishing labor or materials to any improvements of real property within 120 days from the last day of performance and will upon perfection relate in priority to the first day of performance as a valid lien on real property.)
 - (b) Unrecorded leases. (Under North Carolina law, parties in possession of the premises under a verbal or unrecorded lease of three years or less duration may remain in possession under terms of the tenancy.)
 - (c) Matters that may defeat or impair title which do not appear on the record. (Evidence revealing missing heirs, forgeries, etc. may not be on the public records, but such facts if properly established may impair or defeat what appears to be a good title on the record.)
 - (d) Taxes, special assessments and other governmental charges that are not shown as existing liens by the public records. (Governmental charges may be made for acreage fees, tap-on fees, cost of weed cutting, demolition of condemned buildings and other matters that are not shown as existing liens on the property by the public records.)
 - (e) Unlisted personal property taxes. (If discovered, such taxes and any penalties may be assessed as a lien on the subject property.)
- ___ 2. Matters occurring prior to and subsequent to the inclusive dates of examination.
- ___ 3. Matters which would be revealed by a review of the public records regarding the proposed purchaser/borrower, who is not a current owner of the property.
- ___ 4. Any inaccuracies and discrepancies which an accurate survey of the property may disclose. (A survey, if procured from a competent surveyor or civil engineer, will normally determine whether improvements lie within the boundaries of the property, whether existing utility lines, roads or other easements cross the premises, and whether there are any encroachments.)
- ___ 5. Security interests that may have attached to fixtures on the subject property as provided in Article 9 of the Uniform Commercial Code of North Carolina.
- ___ 6. Compliance with any local, county, state or federal government law or regulation relative to environment, zoning, subdivision, occupancy, use, construction or development of the subject property.
- ___ 7. Federal judgments, liens, and proceedings filed only in the Federal Court. (Upon the filing of a petition in Bankruptcy, title to real property vests in the Trustee in Bankruptcy and notice thereof is not always required to be filed in the County in which the Bankrupt owns property; federal condemnation proceedings may vest property in the federal government and notice thereof is not required to be recorded among the County records.)
- ___ 8. Civil actions where no notice of lis pendens against subject property appears of record.

Note: The matters included in Standard Exceptions Number One (1) above set forth are items that cannot be checked. Standard Exceptions numbered 2,3,4,5,6,7 and 8 are not included in a normal search of the County records during examination of title. Upon special request, additional investigation may be made, and Standard Exceptions numbered 2, 3, 4, 5, 6, 7 and 8 can be eliminated. Any such elimination is evidenced by the initialing of such exception in the left margin by the attorney.

(Continued from front)

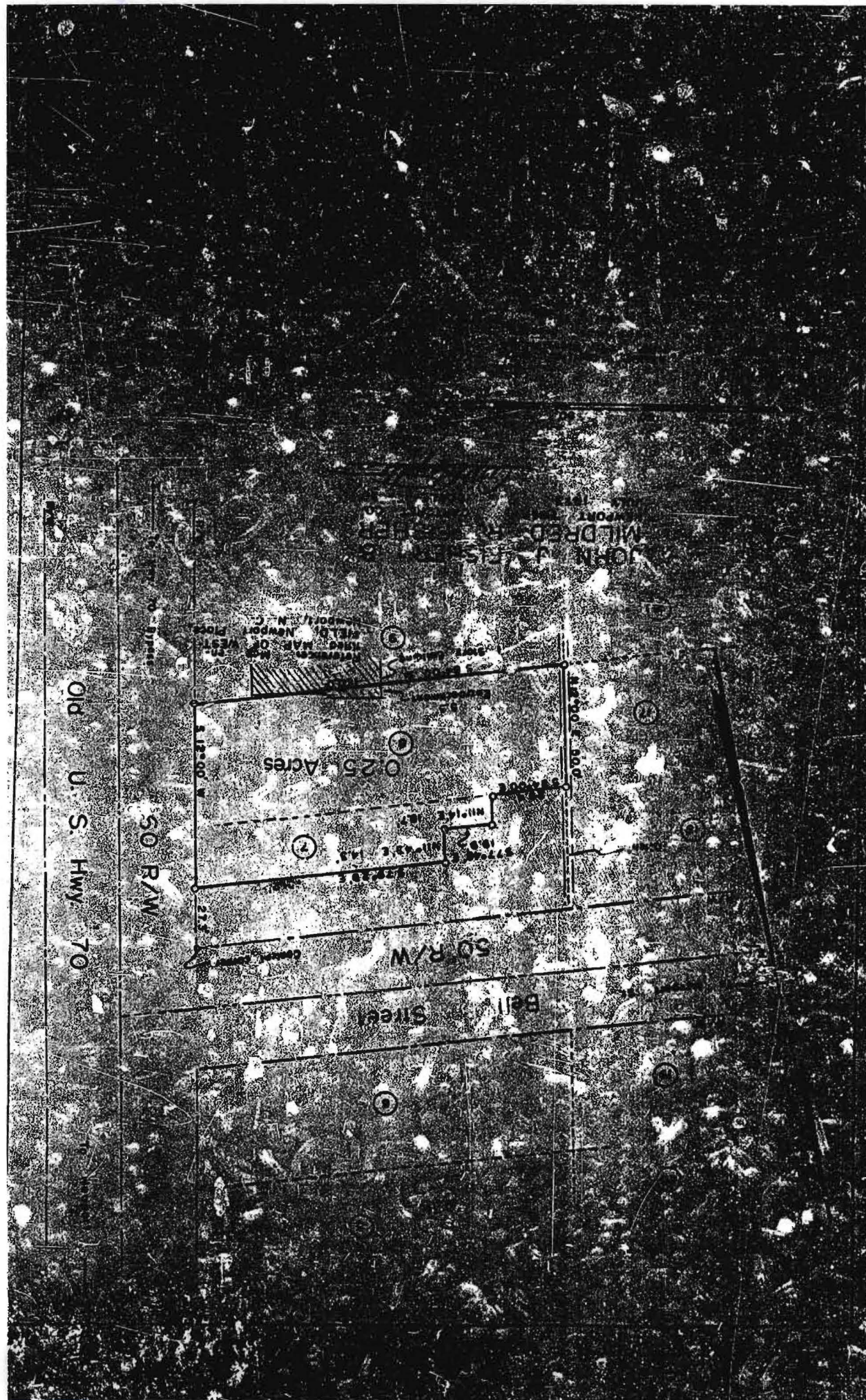


Parcels (Updated 1/05/2010)

OWNER:	██████████	PIN15:	634814235053000	HOUSE NUMBER (7 Digit EX. 0000812):	0000176
STREET NAME:	EAST CHATHAM	NEIGHBORHOOD CODE:	140081	STREET TYPE:	ST
CITY:	NEWPORT	ZIP:	28570	MAILING ADDRESS HOUSE NUMBER:	
MAILING ADDRESS DIRECTION:		MAILING ADDRESS STREET:		MAILING ADDRESS STREET TYPE:	
MAILING ADDRESS CITY:	NEWPORT	MAILING ADDRESS STATE:	NC	MAILING ADDRESS ZIP:	28570
MAILING ADDRESS PO BOX:	PO BOX 1904	TOTAL ACRES:	0.35	DEED DATE OLD:	20050314
DEED BOOK:	1100	DEED PAGE:	419	TOWNSHIP:	NEWPORT
BEDROOMS:	0	BATHROOMS:	1	TOTAL SQUARE FEET:	1144
YEAR BUILT:	1957	CITY LIMIT:	NEWPORT	LEGAL DESCRIPTION:	PTL7 L8 NEWPORT PLACE
FIRE DISTRICT:		RESCUE DISTRICT:		MOTHER:	0
CONDO_:		PDOT:	5053	STRUCTURE VALUE:	28023
LAND VALUE:	19250	TAX VALUE:	47973	OTHER VALUE:	700
SALE PRICE:	0	BLT_CONDO:	0	PRID:	14011H0323
ROLL_TYPE:	R	Noise:		akcuz:	
Risk_level:					
1:331 feet					



<http://carteret.connectgis.com/Map/PrintWindow.aspx?Map=http://carteret.connectgis.com...> 1/14/2010



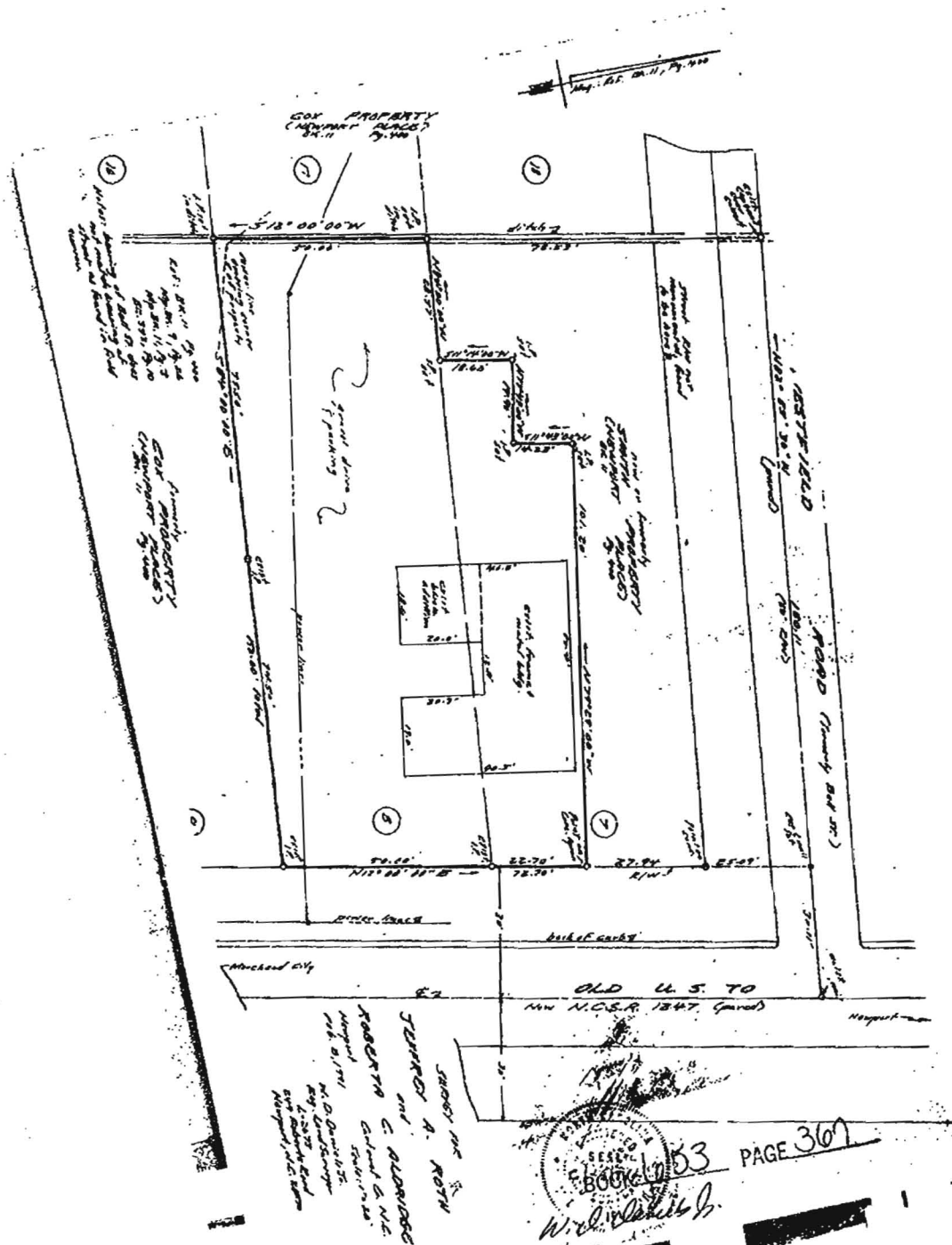
Old U.S. Hwy. 70

50 R/W

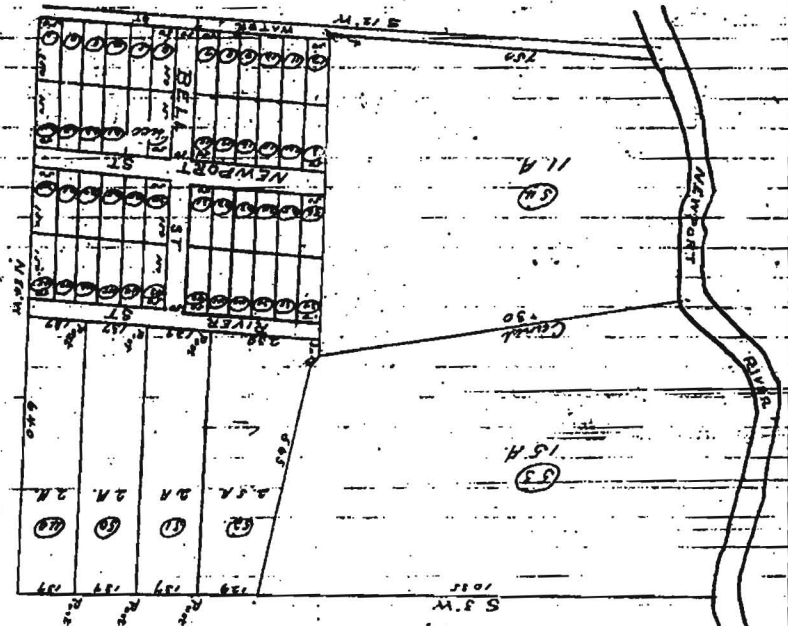
0.25 Acres

50 R/W

Bell Street



NEWPORT PLACE
PLAN OF LAND
Belonging to
NEWPORT NG



See
micro
film
(SP)

50-385-